

COST *and* MANAGEMENT

THE OFFICIAL JOURNAL OF

THE CANADIAN SOCIETY OF
COST ACCOUNTANTS & INDUSTRIAL ENGINEERS

INCORPORATED 1920

HEADQUARTERS, 81 VICTORIA STREET, TORONTO

Telephone ELgin 8914

Vol. 9	MAY, 1934	No. 5
--------	-----------	-------

. . CONTENTS . .

PROCESS COSTS IN A TEXTILE PLANT.	K. M. Horton	130
GOVERNMENT & THE TRADE ASSOCIATION.		
Willard L. Thorp		139
TARIFF AND TAXATION		145
NOTICE OF ANNUAL MEETING		157
DIRECTORS MEETING		158
TREND OF PRODUCTION COSTS		158
POSITION WANTED		158
CHAPTER NOTES		159
REFERENCE LITERATURE		160

Subscription price to non-members, \$5 a year. Single copies 50 cents.
Members desiring 5 copies or more of a single issue may obtain them
at 25 cents each.

Process Costs in a Textile Plant

By K. M. HORTON,
Cosmos Imperial Mills Ltd., Hamilton

(Before Central Ontario Chapter, February 21, 1934)

BEFORE I start detailing how the Cosmos Imperial Mills, Limited, work out their process costs, perhaps it would be well to say something about their plants and products.

We manufacture from raw cotton all widths and weights of industrial fabrics for the agricultural, paper and rubber industries; also fabrics used in the making of sails, tents, awnings, etc. Our plants are located at Hamilton, Ontario, and at Yarmouth, Nova Scotia. Both plants are very similar in layout and the products are the same. Accounts are kept for each plant, thus giving us comparative costs.

In the following I shall be referring to standard costs, or just "standards".

Standards

Kindly remember that our standards are used as a guide and are not taken into the accounts. One hears so much about standard costs that are taken into the accounts, that perhaps it will be unusual to hear standards referred to as being used for guidance and comparisons only.

Our standards have been based upon the best our plants will allow, but they include the labor and manufacturing costs ONLY. Later I will refer to material, delivery, and selling costs.

Process costs are much more easily arrived at than job costs, because all that is required is the average cost of the product when it passes certain points in the process of manufacture. At the same time there is considerable work common to all cost systems.

The methods of distributing depreciations, etc. to the departments are familiar to all, but I shall refer to them in a general way as they arise.

We will assume that a standard payroll has been prepared in such a manner that it will fit into the following layout correctly, pointing out that we have divided our labor into: Productive (the direct workers), other productive (those directly assisting the productive workers), and non-productive (or indirect workers).

The "Balance Sheet"

I have made up this sheet (Form #1) and worked out some figures. Later you will notice that my costs vary considerably. I have purposely done this in order to show up variations in the costs.

We call this our balance sheet, but do not confuse it with the accounting department's balance sheet.

Here there are shown three productive, six non-productive and three miscellaneous departments. There are actually seventeen productive departments, but three will show how all are worked out.

Labor Costs

Now from the standard payroll we fill in the productive, other productive and non-productive labor.

PROCESS COSTS IN A TEXTILE PLANT

As the repair labor and scrubbers should be charged to the departments on a past-experience or expected basis, these amounts will have to be distributed on a pre-determined basis.

In the monthly costs they are charged to the departments from distribution sheets passed in by the Overseers each week. In this way a department requiring the services of the Repair Dep't pays for the actual wages expended in the department.

Now we have the payroll entered upon this balance sheet.

As we want the non-productive departments distributed to the productive departments, we begin by totalling the Repair Department (shown in column #1) and distributing this amount abreast the heading #1 Repair at the left of the sheet.

No part of the amount being distributed should be shown in columns numbered 1, 2, 3, 4 and 5. Therefore the pre-determined percentages are revised, eliminating these five departments, and the resulting percentages are used for this distribution.

In working with the monthly costs the percentages are figured each month, so that the department requiring the repair department pays part of the repair dep't overhead labor, and a department not requiring their services does not pay any part.

Column #2—Power and light—is next totalled and distributed on the horse-power basis, no amounts being shown in the five columns mentioned before.

Column #3—Heat—is distributed on the floor-area basis.

Column #4—Yard and watch—will be taken up later.

Column #5—Employment & service—is distributed on the number-employed basis.

Column #6—Factory expense—along with Column #4 in the Standards can not be distributed until nearly the completion of making up this sheet, as they are distributed upon the percentages of the total labor and expense for each department, arrived at without these two columns being considered.

Assuming that these percentages are known, we can distribute their totals upon their respective lines.

Each month the same percentages are used as are used here on the standard sheet.

As we proceeded we filled in the totals to the end of the productive departments. If we totalled each department the sheet should cross-add. Then when the office, packing and waste departments are added, the grand total should agree with the total of the standard payroll.

This completes the labor costs.

Expense Items

For expense, the "supplies" budget is first filled in.

Taxes and fire insurance are distributed on a combined value percentage basis. This is slightly incorrect, as insurance should not be distributed on real estate values, but as the amount to be distributed is so small we use the same distribution for both items.

Workmen's Compensation assessment is distributed on the amount of standard payroll chargeable to each department, as we are assessed on employees' earnings.

Machinery depreciation is distributed on the machinery values; building depreciation on the floor area occupied.

Bond interest is distributed on a combined value basis the same as taxes: viz., machinery value plus building value occupied plus real estate value (divided on the floor area basis).

COST AND MANAGEMENT

Cost Ledger Items

Now we will drop down to our heading "Cost Ledger Items".

In all plants there are such items as telephone, water and power bills, etc. to be taken care of. On this line we fill in these sundry items.

As we now have all items upon the sheet that enter into manufacturing costs, we can proceed to distribute the expense shown in columns numbered 1, 2, 3, 4, 5 and 6 abreast the headings shown below Bond Interest at the left of the sheet.

Here we follow the same procedure and use the same percentages as were used for the labor in these columns a few moments ago.

This is as far as we go with the balance sheet each month. For standards, however, we distribute the office and packing on the same basis as used for columns 4 and 6, and arrive at a grand total cost which can be divided into Labor and Expense.

This sheet must cross-add and must balance each month with the accounting department.

We work our standards on the weekly basis using fifty weeks per year but we use the four and five-week period method for our monthly reports.

Assuming that this sheet represents ONE week, and that the standard finished production is 2,000 lbs., we can figure the labor and expense costs per pound either with the office and packing or before these departments are considered. On this sheet without the office and packing the labor cost works out to 10.39c and the expense to 22.47c per pound.

Each week the weekly amounts for labor and supplies are assembled, and at the end of the month a sheet similar to this one is made out, using the actual amounts in all places. Then, having the production, the actual labor and expense costs per pound can be figured and compared with the standard balance sheet.

The Cost Ledger

After the monthly sheet is completed, each item is posted in what we refer to as the cost ledger, and the amounts accumulated to date.

These amounts, the monthly and accumulated, are then shown on these sheets. (Form #2).

Here you will note the same headings as we used on the balance sheet. Also there is a sheet made out for each department shown on the balance sheet.

Now with the production of each department (non-productive departments using the finished production) and the amounts for each item chargeable to each department, the figuring of the costs per pound, both for the month and the accumulated months to date, can be proceeded with. Comparisons can be made, when required, with similar sheets that have been made up from the standard balance sheet, the costs per pound being comparable.

Weekly Cost Analysis

After accumulating each week's amounts we make up a weekly cost analysis (Form #3). This form is circulated to the executive and the overseers. It shows the labor and supplies which are controllable by the overseers. The costs per pound are comparable with similar costs arrived at on the standard weekly cost analysis, which has been made up from the standard balance sheet.

Upon this report are also shown such items as the average numbers and the average ounces per yard, which indicate if the production is heavy or light.

PROCESS COSTS IN A TEXTILE PLANT

The average rate per hour and the pounds per man hour indicate how the employees are working, and their rates of pay.

This analysis, by being prepared each week as soon as the payroll is completed, gives us the best guide we have. By averaging the monthly labor figures shown on these reports we can come within six one-hundredths of a cent per pound of what the balance sheet will show when completed.

This completes the standard and monthly reports for the cost system. but we have not yet figured the cost of a fabric.

Standard Fabric Costs

These sheets (Form #4) are used to assemble the standard fabric costs.

Each fabric is constructed differently, and we make a great range of widths and weights. Therefore on this sheet we use either the standard width or a specified width.

After filling in the standard construction, the year the standard balance sheet is dated, the loom used, its speed, and the production in both yards and pounds, we can proceed with the costs.

The standard yarn costs require considerable figuring. Therefore their costs are assembled on other sheets and only the totals for each department are shown on this fabric sheet.

How do we arrive at these totals? If the department is on a day-rate basis in the standard payroll we divide the productive labor by the standard production of the department. If the department is on piece-work, we use the piece-rate per pound.

When productions are referred to, kindly note that each department shows a different production, as wastes have to be considered.

Now the other productive and non-productive labor on the balance sheet are combined and the percentage of this total to the productive labor is found. Thus, assuming it to be 50% and the productive labor 2¢ per lb., then the non-productive would be 1¢, or the Total Labor cost 3¢.

The total expense for the department has been found to be, say 250% of the productive labor as shown on the balance sheet, so the expense cost per pound would be 5¢, and the total cost of ONE pound of yarn in the department under review would be 8¢.

Figuring as outlined for each department through which the yarn passes and listing these amounts upon the fabric sheet, then totalling, we have the cost of ONE pound of yarn in a condition and form ready for weaving.

In the standard construction there is shown the percentage of warp and filling in the fabric under review.

Figuring this percentage of the yarn costs for both labor and expense enables us to set the amounts in their respective places.

The next item is the weaving direct labor. You will note at the bottom of the sheet a space allotted for the filling in of the weaving piece-rate, or the cost per loom per day IF on day-work.

By the latter we mean that if a weaver is paid \$20.00 per week and operates ten looms, the direct labor cost per loom per week would be \$2.00.

If on piece-work, the rate per yard is converted into a cost per pound by using the yards per pound figure shown in the standard construction. The answer is the weaving direct labor, and this is entered in its place. If, however, the rate is based on day-work, the assumed \$2.00 would be divided by the production of the loom, in pounds, per week.

Indirect weaving labor and expense totals from the balance sheet have to be distributed over all the looms in order to arrive at a proper

COST AND MANAGEMENT

amount for the different styles and widths of looms, as some of our looms occupy about 36 square feet of floor space, while others occupy over 1,000 square feet, and their replacement values differ greatly. Also the width of the loom has a bearing upon the amount of indirect labor required.

Therefore we have a standard indirect labor and expense cost for each style and width of loom per week. Then by dividing these amounts by the production of the loom per week the cost per pound for this fabric can be found and entered in their respective places.

Other Departments

CLOTH ROOM—This department inspects, rolls, folds and weighs and covers with paper and burlap ready for shipping, all production. Labor and expense are figured upon a per pound basis, which is the same for all fabrics.

SHIPPING—As the name implies, this department is responsible merely for shipping all production. Labor and expense are figured on a per pound basis.

PACKING—The paper and burlap used in the cloth room are charged to the packing department, and an expense cost per pound figured for all fabrics. No labor is charged to this department.

Once the costs are all filled in upon this fabric sheet they are then totalled, and we have the labor and expense cost for the fabric.

Total Fabric Cost

Now to arrive at the total cost of this fabric the following have to be added to the labor and expense costs—

Material Costs
Selling Costs
Delivery Freights.

All these items are variable, as the cotton market affects the material costs; discounts, etc. affect the selling costs; and delivery costs are affected by whether the goods are shipped prepaid or collect, and the distance to the customer.

We find it much better to add these amounts when necessary, thus keeping our fabric costs from constantly changing.

The labor cost of this fabric is 18c and the expense 15c, or the total cost 33c. (See Form 4.)

The balance sheet shows the labor as 10c and the expense as 22c, or the total cost as 32c. (See Form 1.)

Let us assume that the actual cost for a month shows labor as 13c and the expense as 32c, or a total cost of 45c.

Here is the place where I purposely allowed my costs to vary to show you comparisons.

Using these costs, the actual labor this month is 125% of the standard and the expense is 143%. Then the actual cost of this fabric this month for labor is 18×125 , or 22.5c, and for expense 15×143 , or 21.5c, making a total cost of 44c compared with the standard fabric cost of 33c.

To absorb ALL our cost this fabric should sell for 44c per lb. this month, but of course we could not ask this price.

If we sell for 33c we are breaking even on a normal basis, and the 11c loss would be accounted for by perhaps curtailed production.

In some organizations this 11c per lb. might be charged through a special account as unabsorbed overhead.

By the foregoing you can see that although we do not cost each fabric each month, we can arrive at the monthly costs of any or all fabrics very quickly.

In this paper I have left out any special departments which we have, in order to try to be as clear as possible.

PROCESS COSTS IN A TEXTILE PLANT

FORM #1

Items	Card.	Spinn.	Weave	Totals to Here	No. 1 Repair	No. 2 P.&L.	No. 3 Heat	No. 4 Y.&W.	No. 5 E.&S.	No. 6 Fact. Exp.	Office	Pack.	Waste
35.00 Prod.	10.00	5.00	20.00	35.00									
19.00 Other Prod.	3.00	7.00	9.00	19.00									
104.00 Non Prod.	8.00	10.00	16.00	34.00		20.00	10.00	40.00					
40.00 Repair Labor	10.00	3.00	15.00	28.00	8.00		1.00	1.00		2.00			
20.00 Scrubbers	3.00	4.00	2.00	9.00	1.00				5.00	6.00			
9.00 No. 2-P&L	3.00	9.00	8.50	8.40						4.00			
20.00 No. 3-Heat	3.00	2.00	7.00	15.00						1.00			
11.00 No. 4-Y&W.	3.00	2.00	3.00	8.00						1.25			
41.00 No. 5-E.&S.	8.00	6.00	12.00	26.00						11.75			
5.00 No. 6-Fact. Exp.	.75	1.10	.95	2.80						1.20			
25.55 TOTAL Labor	61.65	46.10	100.15	207.90	9.00	20.00	11.00	41.00	5.00	25.55	6.10		4.00
25.00 Supplies	.60	2.00	7.50	10.10	1.00					3.60			
8.00 Taxes	1.00	1.50	3.00	5.50	.50					.80			
3.00 Fire Ins.	.40	.30	.60	1.30	.10					.25			
4.00 Work. Comp.	.20	.30	.40	.90	.15					.45			
80.00 Mach. Deprec.	15.00	25.00	20.00	60.00	3.00					.30			
20.00 Bldg. Deprec.	2.00	1.00	4.00	7.00	1.00					.10			
6.00 Bond Interest	2.00	1.00	1.50	4.50	.25					.15			
6.75 No. 1-Repair	2.30	.67	3.40	6.37						.38			
108.15 No. 2-P&L	32.40	10.00	37.80	80.20						22.65	1.00		4.30
60.15 No. 3-Heat	16.30	10.90	16.30	43.50						6.40	7.05		4.20
16.30 No. 4-Y&W.	3.10	2.45	4.75	10.30						4.55	.80		.65
104.10 No. 5-E.&S.	15.60	25.00	12.50	53.10						25.00	16.70		4.00
175.33 No. 6-Fact. Exp.	47.50	38.20	75.50	161.20						11.53			7.00
756.55 TOTAL EXPENSE	139.00	114.52	195.85	449.37	6.75	108.15	60.15	16.30	104.10	175.33	243.93	40.00	23.25
974.55 TOTAL L.&E.	200.65	160.62	296.00	657.27						250.03	40.00		27.25

Office, Pack.	90.00	72.50	127.53	290.03
GRAND TOTAL	290.65	213.12	423.53	947.30
Waste				
Balancing amount				

Production 2,900 lbs.
 Labor \$207.90 or 10.38¢ per Lb.
 Expense 449.37 or 22.47¢ " "
 Total \$657.27 or 32.85¢
 NOT INCLUDING the Office and Packing.

COST AND MANAGEMENT

DEPT.	MONTH OF	193 ..	FORM #2	DIVISION
				Cost Per Pound
				Months
				This Month To Date
Hours Run	Particulars	This Month	Months to Date	
Production Pounds				
Labor				
	Productive			
	Other Productive			
	Non-Productive			
	Total Department Labor			
	Labor, Repair Actual			
	" Scrubbers Actual			
	" Repair Dep't. Distributed			
	" P. & L. Distributed			
	" Heat, Distributed			
	" Yard & Watch Distributed			
	" Employ. & Service Distributed			
	" Fact. Expense, Distributed			
	Total General Labor			
	Grand Total Labor			
Departmental	Overhead Expense			
	Supplies			
	Taxes			
	Fire Insurance			
	Workmen's Compensation			
	Machinery Depreciation			
	Building Depreciation			
	Bond Interest			
	Repair Dep't.			
	Power & Light			
	Heat			
	Yard & Watch			
	Employment & Service			
	Factory Expense			
	Power Bill			
	Salaries			
	Fuel			
	Outside Dyeing			
	Total Overhead Expense			
	Total Labor & Expense			

PROCESS COSTS IN A TEXTILE PLANT

Total Overhead Expense
Total Labor & Expense

WEEKLY COST ANALYSIS
Std. No. Act. No. Hrs Payroll Payroll Rep. Week Ending
Employ. Employ. Run Hours Cost Labor Amount P. R. Cost Total Cost
per Lb. per Lb. per Lb.

FORM #3

IMPERIAL DIVISION

Open. & Pick.

Carding

Drawing

Intermediates

Totals

Spinning

Spooling

Twisting

Totals

Twine Prep.

Cotton Padd.

Fill. Winding

Warping

Creel Weave

Beam Weave

Totals

Cloth Room

Shipping

Cotton S. & H.

Repair Dep't.

Power & Light

Heat

Yard & Watch

E. & S.

Fact. Expense

Office

Packing

Waste

Totals Misc.

TOTALS

Converting

Color Dept.

No. Employed—Std. Act.

Day

Night

Monthly Labor

Average Hank Roving
Average No. Spinning
Ozs. per Yard
Lbs. per Man Hour
Average Rate per Hr.

COST AND MANAGEMENT

FORM #4 COSMOS IMPERIAL MILLS, LIMITED

Page No. 1
File No. 1
Special Details:—
Imperial Div.
STYLE ? ?
WIDTH 22"

STANDARD CONSTRUCTION		STANDARD YARN COSTS—Year 1933			
Width	22"	7/4 WARP		7/3 FILLING	
Oz. per Yard	14.00	Labor	Expense	Labor	Expense
Yds. per Lb.	1.143	1.460	.820	1.460	.820
WARP—No.	60.3	.200	.250	.200	.250
%	20	.400	.490	.400	.490
Cont. %	30	2.200	1.950	2.200	1.950
Sley	7/3	.800	1.100	.800	1.100
FILL—No.	39.7	2.400	3.800	2.220	4.480
%	40	3.000	1.650	....	....
Picks	12.00	....	....	....	....
Reed	27.5	10.720	10.190	4.040	1.300
Spread	1	....	....	F. Wind.	10.520
Eye	2	....	....	TOTAL	....
Dent	1"	....	....	....	....
Selvage	1 x 1	....	....	....	....
Weave	8.61	....	....	....	....
FIGURED Oz. Warp	5.67	....	....	....	....
Fill.	14.28	....	....	....	....
Total	....	....	....	....	....

STANDARD COSTS—per pound—Year 1933	
Warp Labor	6.460
Fill. " 39.7 "	4.600
Direct Weaving Labor	2.290
Indirect Weaving Labor	3.280
Cloth Room Labor	.375
Shipping Labor	.140
TOTAL LABOR COST	17.685
Warp Expense 60.3 % of Standard	6.150
Fill. " 39.7 "	4.180
Weaving Expense	4.680
Cloth Room Expense	.185
Shipping Expense	.100
Packing Material	.130
TOTAL EXPENSE COST	15.325
TOTAL L. & E. COST	33.010
Weaving Labor figured on.....c per yard—Piece Work.	
\$3.00 per week per loom—Day Work.	

PLUS Material, Selling and Delivery Costs.

Notes:—

Government and the Trade Association

BY WILLARD L. THORP

Director of the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D.C.

(Address before the Annual Meeting of the American Trade Association Executives, Chicago. Reprinted from *The Certified Public Accountant*.)

NOT long ago, a friend of mine came to the Commerce Building in a taxicab. As he paid his fare the colored driver turned to him and said, "This N. R. A. convention sure am the greatest convention they ever had in Washington."

The N. R. A. is much more than a life saver to the Washington taxicabs and Washington hotels. It symbolizes a new economic structure and a changed relationship between government and industry.

Economic changes do not happen independently of other parts of our social organization. Economic changes, political changes, and, if you will, philosophical, psychological, and even religious changes are inevitably intertwined.

Six hundred years ago the world saw a distinctive type of economic system. There were small communities almost completely independent of each other, dominated by custom and tradition. The Feudal System was not a system of stability. The average man carried on exactly as his father had done before him. If his father had been a lord, the son was a lord; if a serf, the son was a serf. If the father had plowed his field with certain implements, the son necessarily used the same implements. Such a system was based on the principle that the average human being had virtually no intelligence or judgment, and was therefore best off in a situation which gave him no opportunity to make mistakes. His parents had survived and therefore there was safety in following in their footsteps.

The only real intelligence was to be found at the top of the political structure in the King. This intelligence on his part was to be explained by his direct relationship with the Lord God Almighty, the doctrine familiarly known as The Divine Right of Kings. The nobility shared this wisdom to a lesser extent. In this situation the function of the Government (for the King and nobility were the Government) was to undertake full responsibility and to determine all problems of policy wherever they might arise.

A Radical Change

Quite the opposite was the social picture of one hundred years ago. The concept that the ordinary man possessed no wisdom and judgment had given way to the principle that all men were born free and equal, and that, except for the chances of education, men had more or less equal intelligences. Therefore, in the economic world the greatest good to the greatest number was to be accomplished by giving each individual as much freedom to exercise his intelligence as possible. The old regulation and the dominating traditions were broken down,

COST AND MANAGEMENT

and an economic system grew up based on individual freedom and initiative.

This all had direct implications for the character of the political structure. There is nothing extraordinary about the fact that the economic system which we call Capitalism and the political system which we call Democracy, both developed during this era; for Democracy is nothing else but the political way of expressing the idea that individual intelligences are fairly equal.

Along with this new democratic structure of Government came, naturally enough, a changed attitude concerning the relationship of the Government to economic life. The Government must interfere as little as possible, leaving individuals free to pursue their own ends. The greatest total accomplishment was to result from permitting the ambition of each individual to express itself without restriction.

For some years we have been gradually modifying these ideas of unrestricted individual initiative and laissez faire. The development of scientific knowledge and the tests of experience have called for fresh consideration of our social structure. We certainly no longer believe in the theory of equal intelligences. Furthermore, it used to be generally held that human nature was a fixed something, present in each one of us at birth; that man was born with certain immutable characteristics, and that our economic system necessarily must conform to these characteristics. Since one of them, and by many people regarded as the dominant one, was selfishness, it was thought that the best economic system was one which utilized this motive to the full.

Trend Towards Government Control

But now scientists tell us that if there is any one characteristic of human nature which is certain, it is that human nature is changing and changeable; that people can be molded by their environment. The emphasis which the Russian, German and Italian systems have placed upon the training of young people is evidence of their attempt to utilize this principle. In Italy, for example, no one has been admitted to membership in the Fascist party since 1925, who has not come up through their training program. Children under 14 are subjected to certain educational processes and from 14 to 18 the discipline is even more intensive. This concept that human nature is malleable, destroys the old idea that there is only one form of economic system suitable to mankind. It requires us to think in constructive and experimental terms.

The second reason for the breakdown of the old attitude comes from the economic system itself. At point after point, the automatic controls which were intended to direct and maintain equilibrium have been destroyed or become inflexible, and conditions which originally may have led to the highest social results have now often become creatures of destruction.

Take, for example, the concept of competition. Competition presumably not only provided a tremendous stimulus to activity, but prevented prices from rising unduly, and assured us that quality would not be impaired. It eliminated the inefficient producer and balanced production and consumption.

As long as our economic system was struggling to produce enough goods to meet the demand, competition did tend to function in this way. But when our productive apparatus became adequate and in some instances, more than adequate, and the business man had to concern himself chiefly with marketing his products, then com-

GOVERNMENT AND THE TRADE ASSOCIATION

petition began to lead to all forms of undesirable trade practices. Even though eighty-five per cent of an industry desired to eliminate child labor, for example, they could not accomplish their purpose in the face of the competition of the minority who obtained low costs by means of low wages paid to children. The codes describe in detail many trade practices which have gradually developed without any economic justification but which could not be eliminated in a competitive system based on free initiative. That which was one of the greatest forces in developing our society, became the means of enforcing the lowest levels of business morality upon industrial leaders to whom such practices were abhorrent, but who could not disregard them and maintain their economic life.

Extension of Control to New Fields

The idea of *laissez faire* has been greatly modified over the last seventy years. The concern of the Government is not so much the behavior of any single individual, but the ordering of the relationships of individuals so that the acts of one will not lead to injustice and suffering by others. The action of individual initiative, quite unrestricted, tended in many instances to reach out and hurt other individuals. This became evident in the field of banking, and the Government threw aside the doctrine of *laissez faire* and established the National Banking Act. Later the same situation developed in railroads, and the Government set up the Interstate Commerce Commission. Public utilities came under state regulation. Then the Federal Trade Commission was established. More and more the Government has found it necessary to protect society from the undue initiative of special interests.

And there is one further reason why the Government has been forced to enter upon the direction of our economic life, the increasing complexity and interdependence of economic activity.

I once made an elaborate study of business conditions in the United States year by year since the Revolutionary War. The outstanding feature of our business history in early years was that Boston, New York, Baltimore, Charleston, and all the other centers, had relatively independent economic existences. To be sure, they were all affected by foreign influences bearing upon their foreign trade. But as far as domestic industry was concerned, there could be an epidemic in Baltimore with the result that half the population left the City and business was completely stagnant, at the same time that New York was carrying on under what one would describe as prosperity. Today there is no such thing as local or industrial economic isolation. The ill-fated Florida land boom affected all parts of the nation. The bank holiday was a national experience. And no geographic or industrial section of the country can hope for a sound return to prosperity unless the same upward trends are evidenced elsewhere.

In such a situation, the individual is helpless, and the Government, as the one responsible agency for directing our social life, must take a hand.

But if individual initiative competition and *laissez faire* fail to set decent standards of economic behavior, and are unable to provide the essential stability which we desire in our economic life, what form of economic structure should be adopted? There is, of course, the extreme possibility of following along the lines suggested by Russia where the complete direction of economic activity is taken over by a centralized agency. That is not the solution which has

COST AND MANAGEMENT

been elected by the present Administration. Rather, it has recognized the basic desire of the responsible persons in each industry to operate on a reasonable and intelligent basis, and has said that each industry shall be permitted to set its own standards and control its own development—industrial democracy rather than individual freedom.

This is a bold idea. Twenty years ago, it would have met at once with the universal comment that the inherent selfishness of individuals was such that each industry group would at once take advantage of this opportunity to seek its own selfish ends. There are still many who hold to this opinion. If it be true, the new economic structure will require further revision. But the opportunity is here for individual industries to show their sincerity and concern and reasonableness in working towards prosperity for the Nation.

The Trade Association

The trade association had very little place in an economic system which rested on individual initiative and competition. But it is the very foundation of the structure which looks toward industries as units, setting standards and controls within which each individual shall then freely operate.

The new attitude of the Government goes far beyond the mere removal of the restrictions which have surrounded trade-association development in the past. I hardly need to remind you of the suspicion with which early trade-association activity was viewed; the handicaps which legislation and judicial interpretation set upon the cooperation of competing business units. Not only have these limitations been removed, but there is positive encouragement. The National Industrial Recovery Act explicitly states that "It is hereby declared to be the policy of Congress . . . to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups." This policy has been interpreted so broadly that not only is the trade association recognized as the agency to develop codes of fair competition but, in most instances, it has continuing authority to direct and determine the future of the industry. How could the trade association be given a greater opportunity?

There are two essentials to successful operation of an industry as an economic unit. The first is knowledge; and the second is power. For the first time, the Government is giving positive support to the gathering of information concerning each industry. The National Industrial Recovery Act states that the President may require the making of reports and the keeping of accounts. The codes of fair competition provide for the collection of statistics, and failure to report is a violation. Many code authorities are instructed to set up systems of standardized cost accounting and the members are required to cooperate. Furthermore, Code Authorities are giving permission to investigate and recommend improvements in trade practices within their industries.

Statistics

The Government is endeavoring to set its own statistical house in order. It may be helpful if I detour a moment to tell you of two new agencies which have been established recently. The first is the Committee on Government Statistics and Information Services. This is a small group of economists and statisticians sponsored by the American Statistical Association and the Social Science Research Council, financed by private funds, established at the request of the

GOVERNMENT AND THE TRADE ASSOCIATION

Secretaries of Interior, Agriculture, Commerce, and Labor. It is created for the period of one year, and is engaged in reviewing and making suggestions for improving the statistical work of the Government.

The Central Statistical Board was established by Executive Order of the President on July 27. Its membership includes representatives of various government agencies engaged in the compilation or analysis of statistics. It has a total budget of \$20,000. It will do no statistical work itself, but is a coordinating agency, both endeavoring to eliminate duplication now existing among the statistical agencies in the Government, and to encourage new statistical undertakings where data is now lacking. Under its stimulus, the Bureau of Labor Statistics is expanding greatly its work in the field of retail prices, and the Bureau of Foreign and Domestic Commerce is undertaking the compilation of data on the volume of retail sales. The Board is now examining with great care the statistical work of the various government agencies in the field of construction, looking toward the improvement of our knowledge in this important sector of our economic system.

In this connection, the Government has one goal in mind—adequate and reliable statistics. No scientists would dream of carrying on an experiment without providing for the most detailed observation of its results, and we are in the midst of a great economic experiment. Much of this information has a usefulness far beyond the individual industry. It is essential to the Government in order to direct properly the economic life of the Nation.

I had hoped that it would be possible for me to state positively at this meeting the exact manner in which this statistical work is to be done. But this matter is still in a state of flux. As you know, most of the codes provide for the collection of statistics by trade associations or other designated agencies. These provisions, however, do not abrogate the ultimate authority which the Industrial Recovery Act vests in the President to require statistical reports. In at least one instance where the code did not set up a statistical agency, this principle has been restated in the Executive Order in which approval was given, where the following clause appears:

"* * * and it is hereby approved on the condition, compliance with which is hereby required, that reports shall be furnished from time to time to the Administrator by each employer of the industry setting forth information on wages, hours of labor, and such other matters in such form, manner, and detail as he may require."

A Joint Responsibility

The present situation, therefore, is that authority for the collection of statistics has been given specifically to the Code Authority, but that the Government has not relinquished its ultimate responsibility in the matter.

There is, of course, a strong feeling in many quarters that the collection of statistics should be left entirely and completely in the hands of trade associations. On the other hand, others argue that many trade associations are too new to be responsible or to possess the confidence of business men, that they can not obtain complete or honest coverage, and that there is evidence that in the past certain trade associations have wandered from the paths of statistical morality.

Stating the problem in these extremes indicates the possibility of middle ground, on which both trade associations and government

COST AND MANAGEMENT

cooperate to accomplish the purpose which both desire—better statistical records. In at least one industry the schedule to be used has already been developed mutually by the trade-association and Government officials, thus assuring to each the data which it desires.

The exact means of accomplishment may not yet be clear, but of much greater importance is the assurance that the results will be obtained. Certainly with both trade associations and the Government working to the same end, the final result will be much more complete coverage in terms of firms, items of inquiry, and industries.

I must cite one other opportunity which is now extended to the trade association—the raising of business standards. The codes, with their lists of unfair practices to be outlawed, are a sad commentary on the results of vigorous competition. I shudder to think of the economic historian one hundred years from now, describing present American industry as he deduces it to be from these codes. Many of these practices have developed under the stress of the depression, but once established, their elimination is extremely difficult. These conditions have too long been kept under cover. At last, they are brought out in the open, to be eliminated by the desire of responsible leaders of industry. The Bureau of Foreign and Domestic Commerce has endeavored to show in past studies that many of the practices are uneconomic, but regardless of such demonstration, they could not be eliminated except by joint action. Millions of dollars will be saved by these sections in the codes of fair competition, but even more important, recognized standards of business decency will be established on a higher level than ever before.

The Bureau of Foreign and Domestic Commerce has maintained for years a section which endeavored to keep informed concerning the development of trade associations. Its publication, "Commercial and Industrial Organizations of the United States," has been the authoritative reference book on the subject. This material has been invaluable during the last three months, but it is now sadly out of date. The organization of new bodies and the consolidation of old ones have completely changed the picture. We shall shortly approach you all with a request for information so that a new edition can be published. I assume that I need not even ask for cooperation.

I have stressed the importance of the recognition of each industry as a unit in the new program. But this is not enough. The finest statistical work in the world, a complete system of cost accounting, plus the giving of control and power over the development of an industry to a trade association, cannot assure it of prosperous activity. Each single industry unit is but one part of our total economic system. No persistent prosperity can be attained unless the various units are in balance with each other. Not only must there be balance among the producing industries but other elements in the economic system, such as currency and finance, foreign trade, taxation, and security dealings, must fit properly into the picture. These relationships are beyond the scope of single industries. If any balance is to be achieved by intelligent control it must be done through Government direction.

Contrast with Past Depressions

In the past, when our economic mechanism was temporarily deranged, recovery has been assured by the underlying trend of population increase. If a single industry had over-expanded, we could be certain that in the course of time, demand would catch up, and balance would once more be achieved. Furthermore, the existence of fertile land on the frontier meant that the standards of living could never

GOVERNMENT AND THE TRADE ASSOCIATION

drop below a minimum which could be obtained there. These safeguards are becoming less and less significant as means of maintaining standards and of correcting maladjustments. Economic planning must take a greater and greater part in our economic system.

The Department of Commerce is dedicating itself to render every possible assistance in accomplishing this great program. In the past it has done much to aid industries in setting up standards of business practice; it has endeavored to assist trade associations to function wisely; it has studied economic trends and business conditions. Now that there is a clear recognition of the trade association and of the importance of intelligent planning, the function of the Department of Commerce is of even greater significance. We believe that cooperative intelligence can meet the challenge of our disordered economic system.

I have little sympathy with those who attack any new program on the grounds that no human brain is able to direct social development. I quite agree, but I see no reason why any single human brain need be given such complete authority. Rather, the intelligence of each industry is being mobilized to direct that industry, and the intelligence of these groups plus the Government must cooperate on the problem as a whole.

If such a program cannot find the way, by experience, by trial and error, to work through the problem which press so heavily upon us, then the future looks black indeed. But I think we have reason for hope. The leaders of this country are sincerely striving to plan wisely, and in this program the trade association, the industry unit, has a vital part. I know that I speak for Secretary Roper, Assistant Secretary Dickinson and for all my colleagues in the Bureau of Foreign and Domestic Commerce in assuring you of much more than our best wishes—our hearty cooperation in the task which is before you. And I wish personally to offer the services of the Bureau of Foreign and Domestic Commerce in working towards the great objective of prosperity, stability, and security for the American people.

TARIFF and TAXATION

DEPARTMENT OF NATIONAL REVENUE

Ottawa, 23rd March, 1934.

Departmental Regulation. Memorandum No. 363 is hereby cancelled.

Cash discounts on shipments to Canada in accordance with the terms and conditions as allowed generally in the home market, when earned and taken in settlement by importer in accordance therewith will not subject importations to special duty.

Where the cash discount is deducted on invoices. Collectors will require an undertaking from importer that settlement will not be made at the net amount unless such cash discount has been earned by settlement in accordance with home market terms and conditions as above.

COST AND MANAGEMENT

Ottawa, 28th March, 1934.

New Zealand Trade Agreement—Importations of Butter—Special Duty

By Order-in-Council (P.C. 627) dated 26th March, 1934, it is ordered that in computing the value for duty of butter imported into Canada from New Zealand on and after the 26th day of January, 1934, (except such butter, if any, as has already been entered at Customs and duty paid thereon), the rate of exchange shall be fixed at \$4.86-2/3 to the pound, the currency of New Zealand, being the par value thereof; and

That in all cases of sales or consignments without sale of butter imported into Canada from New Zealand on and after the 26th day of January, 1934, (except as aforesaid), notwithstanding the expressed terms of the sale or consignment, the transaction shall be regarded as a sale and the actual selling price to the purchaser in Canada shall be taken to be the value of the goods in the currency of New Zealand converted into Canadian currency at the current rate of exchange and shall be regarded as less than the fair market value of the goods when sold for home consumption, and the provisions of Section 6 of the Customs Tariff shall apply and special or dumping duty shall be deemed to apply equal to the difference between the value of the invoice computed at the current rate of exchange and the value of such invoice computed at the rate of \$4.86-2/3 to the Pound, the currency of New Zealand.

Ottawa, 11th April, 1934.

Supplement No. 3 Appraisers' Bulletin No. 3672

VALUE OF ROSE BUSHES

The Honourable the Minister of National Revenue has amended the Order dated the 1st December, 1930, of the then Minister of National Revenue, issued under the authority of Section 43 of the Customs Act and Order in Council (P.C. 2678) dated the 19th November, 1930, fixing the value for duty of rose bushes (excepting Dwarf Polyanthas and rose stocks for budding and grafting) at 20 cents each, by substituting therefor a valuation of 15 cents each.

The above valuation to apply to importations entered at Customs on and after the 12th April, 1934.

Freight Allowances

The departmental memorandum No. 269 on regulations under section 6 of the Customs Tariff Act (Dumping Clause) stipulates that allowances for freight or other transportation charges when made generally to purchasers in the home market under like conditions, at varying rates depending on destination of the goods, are to be disregarded in computing special or dumping duty "provided that the amount of such allowance must not be deducted for regular duty purposes."

The commissioner's ruling says: "On shipments from Great Britain to Canada, when it is the general practice of the exporter to allow freight to home market customers, the department considers that the freight allowance to the importer is not limited to the amount of the freight from the exporter's works to the seaport, but may include part of the ocean freight. For example, if an exporter allows 20 shillings freight generally on home market sales and the inland freight charges to seaport incurred on shipment to Canada amount to 5 shillings, 15 shillings may be allowed off the ocean freight in estimating the value for special duty purposes, provided that such allowance does not exceed the actual freight."

TARIFF AND TAXATION

BUDGET RESOLUTIONS

^{Affecting} THE CUSTOMS TARIFF, THE EXCISE ACT AND THE SPECIAL WAR REVENUE ACT AND AMENDING ACTS

You were wired this date as follows:

"Until further instructed take all Customs and Excise entries presented on and after nineteenth instant subject to amendment STOP Notify outports by wire."

The following are the provisions of the Budget Resolutions affecting the Customs Tariff, the Excise Act and The Special War Revenue Act, 1915, and Amending Acts, introduced in Parliament 18th April, 1934.

Customs Tariff resolutions to be in effect on and after 19th April, 1934. Excise Act Resolution to be in effect on and after the 1st July, 1934. Special War Revenue Act resolutions to be in effect as follows:

Paragraphs (1) and (2) on and after 1st July, 1934.

Paragraphs (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), and (13), on and after 19th April, 1934.

RESOLUTIONS TO AMEND THE CUSTOMS TARIFF

1. Resolved, That the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter thirty-nine of the Acts of 1929, chapter thirteen of the Acts of 1930 (first session), chapter three of the Acts of 1930 (second session), chapter thirty of the Acts of 1931, and chapters six and thirty-seven of the Acts of 1932-33, be further amended by striking thereout paragraph (j) of subsection (1) of Section 2 thereof and by substituting therefor the following:—

(j) "Proof," "proof spirit" or "proof spirits," means any spirit the strength of proof by Sikes' hydrometer, that is, spirit which at the temperature of fifty-one degrees Fahrenheit weighs exactly twelve-thirteenths of the weight of an equal measure of distilled water at the same temperature.

2. Resolved, That the aforesaid Customs Tariff be further amended by adding to Section 5 thereof the following subsection:—

(5) In computing the ad valorem rate of duty on tea purchased in bond in the United Kingdom, the value for duty shall not include the amount of the Customs Duty payable on tea for consumption in the United Kingdom.

3. Resolved, That Schedule A to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by Chapter seventeen of the Acts of 1928, chapter thirty-nine of the Acts of 1929, chapter thirteen of the Acts of 1930 (first session), chapter three of the Acts of 1930, (second session), chapter thirty of the Acts of 1931, chapter forty-one of the Acts of 1932, and chapters six and thirty-seven of the Acts of 1932-33, be further amended by striking thereout tariff items 99e, 180, 187, 203b, 207, 208e, 208g, 208u, 210d, 210e, 219 (ii), 242, 254, 267b, 278b, 278d, 294, 334, 339a, 353, 353a, 370, 375, 380, 392a, 409e (ii), 410d, 412, 414b, 445j, 471a, 472, 475, 511, 537, 537a, 551c, 651, 651a, 685, 709, 733, 811, 815, the several enumerations of goods respectively and the several rates of duties of Customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said Schedule A:—

(After each item the three rates given are, in the order named, British preferential, Intermediate and General tariff rates.)

99e Dates, n.o.p. per pound, when in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty, 1ct., 1½cts., 2½cts.

COST AND MANAGEMENT

117, Halibut livers, fresh, Free, Free, Free.

180, Photographs, chromos, chromotypes, artotypes, oleographs, paintings, drawings, pictures, decalcomania transfers of all kinds, n.o.p., engravings or prints or proofs therefrom, and similar works of art, n.o.p.; blue-prints, building plans, maps, and charts, n.o.p., 15 p.c., 22½ p.c., 22½ p.c.

180c, Decalcomania transfers, when imported for use exclusively in the manufacture of tableware of china, porcelain or semi-porcelain.

187, Albumenized and other papers and films chemically prepared for photographers' use, n.o.p., 15 p.c., 25 p.c., 30 p.c.

187a Hypersensitive or supersensitive panchromatic films, unexposed, for aerial photography, Free, 10 p.c., 15 p.c.

203b Aniline and coal tar dyes, adapted for dyeing, in bulk, or in packages of not less than one pound weight, Free, 10 p.c., 10 p.c. Provided, that when such dyes are permitted entry into the United Kingdom, by licence, under Section (2) of the Dye-Stuffs Act (1920) the rates of duty shall be, Free Free, Free.

207, Dried blood, n.o.p., 5 p.c., 7½ p.c., 10 p.c.

207b, Dried blood, soluble, Free, Free, Free.

208e, Cresylic acid and compounds of cresylic acid, used in the process of concentrating ores, metals or minerals, n.o.p., Free, 15 p.c., 15 p.c.

208g, Calcium Molybdate, when imported for use exclusively in the manufacture of steel, under regulations prescribed by the Minister, Free, Free, 5 p.c.

208u, Xanthates and sulpho-thio-phosphoric)dithio-phosphoric) compounds, for use in the process of concentrating ores, metals or minerals, Free, Free, Free.

208v, Butyl alcohol, until October 15, 1934, Free, Free, Free.

208w, Theobromine, crude, and dimethyl sulphate, Free, Free, Free.

210d, Sodium, sulphate of, crude, or salt cake, per pound, 1/5 ct., 3/5 ct., 3/5 ct.

210e, Nitrate of soda or cubic nitre when imported for use as a fertilizer, for use in the curing or pickling of meats or for use in the manufacture of vitreous glazes and enamel frits, or when imported by manufacturers of explosives for use exclusively in the manufacture of explosives in their own factories, Free, Free, Free.

216d, Phthalic and anhydride, adipic, abietic, maleic and succinic acids and ethylene glycol, when imported by manufacturers of synthetic resins, for use exclusively in the manufacture of synthetic resins, in their own factories, Free, Free, Free.

219, (ii) Solutions of hydrogen peroxide containing twenty-five per centum or more by weight of hydrogen peroxide, Free, 22½ p.c., 25 p.c.

219e, Mixtures containing cyanides, for use in combating destructive insects and pests, Free, Free, Free.

242, Dry red lead, orange mineral and titanium oxide; zinc oxides such as zinc white and lithopone, Free, 15 p.c., 15 p.c.

246b, Stains and oxides, valued at not less than 20 cents per pound, and liquid gold, for use exclusively as colouring constituents in the manufacture of vitreous enamels and pottery glazes, Free, 20 p.c., 22½ p.c.

254, Gums, viz:—Arabic, Australian, copal, damar, elemi, kaurie, mastic, sandarac, Senegal, tragacanth, gedda, and barberry; gum chicle or sappato gum, crude; lac, crude, seed, button, stick and shell; ambergris; Pontianac, Free, 15 p.c., 15 p.c.

TARIFF AND TAXATION

254a, Gum, amber, Free, Free, Free.

267b, Crude petroleum not in its natural state, .7250 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners to be refined in their own factories, per gallon, Free, 1½cts., 1½cts.

278b, Crude peanut oil, for refining for edible purposes, used as materials in Canadian manufactures, Free, 10 p.c., 10 p.c.

278d, Olive oil for manufacturing soap or tobacco or for canning fish; olive oil for use in the processing of textile fibres, including the finishing of fabrics, Free, Free, Free.

294, Gypsum, ground, not calcined, 10 p.c., 12½ p.c., 15 p.c.

326c, Concave blanks of uncoloured clear glass, when imported by manufacturers to be used exclusively in the manufacture of silvered mirror reflectors for lighting systems, Free, 10 p.c., 10 p.c.

326d, Beads, drops or other shapes of glass, when imported by manufacturers of imitation pearls, for use exclusively in the manufacture of such articles in their own factories, Free, Free, Free.

334, Kryolite or cryolite, Free, Free, Free.

339a, Lead capsules for bottles, Free, 27½ p.c., 30 p.c.

353, Aluminium and alloys thereof, crude or semi-fabricated, viz.: Pigs, ingots, blocks, notch bars, slabs, billets and blooms; bars, rods and wire; angles, channels, beams, tees and other rolled or drawn sections and shapes; pipes and tubes; plates, sheets and strips, including circles; leaf, n.o.p., or foil, less than .005 inch in thickness, plain or embossed, with or without backing; wire and cable, twisted or stranded, reinforced with steel or not; aluminum powder, Free, 30 p.c., 30 p.c.

353a, Aluminum leaf, less than .005 millimetres in thickness; aluminum scrap, Free, Free, Free. Provided, that nothing shall be deemed to be aluminum scrap except waste or refuse aluminum, fit only to be remelted.

362a, Metal parts, electro-plated, for loose-leaf binders, 20 p.c., 37½ p.c., 45 p.c.

365a, Findings of metal, not plated or coated, including stamping, trimmings, spring-rings, bolt-rings, clasps, snaps, swivels, vest chain bars, joints, catches, pin tongues, buckle tongues, coil pins, clip actions, settings and eyepins, when imported by manufacturers of jewellery or ornaments for the adornment of the person, for use exclusively in the manufacture of such articles, in their own factories, 15 p.c., 25 p.c., 30 p.c.

365b, Wire or strip, viz.: Gold, gold-filled, silver, silver-filled, brass or nickel silver, knurled, twisted, figured or with ornamental design rolled or drawn thereon, and wire of nickel silver, plain, in coil or otherwise, when imported by manufacturers of jewellery or ornaments for the adornment of the person, for use exclusively in the manufacture of such articles, in their own factories, Free, 20 p.c., 25 p.c.

370, Copper rollers, and stones, used in the printing of textile fabrics or wallpaper, Free, 10 p.c., 10 p.c.

375, Ferro-alloys:—(a) Ferro-manganese, spiegeleisen and other alloys of manganese and iron containing not more than 1 per centum, by weight, of silicon—per pound, or fraction thereof, on the manganese contained therein, Free, 1 ct., 1¼ cts.

(b) Silico-manganese, silico spiegel and other alloys of manganese and iron containing more than 1 per centum, by weight, of silicon—per pound, or fraction thereof, on the manganese contained

COST AND MANAGEMENT

therein. Free, 1½ cts., 1¾ cts.

(c) Ferro-silicon, being an alloy of iron and silicon containing 8 per centum or more, by weight, of silicon and less than 60 per centum—per pound, or fraction thereof, on the silicon contained therein, Free, 1½ cts., 1¾ cts.

(d) Ferro-silicon, being an alloy of iron and silicon containing 60 per centum or more, by weight, of silicon and less than 90 per centum—per pound, or fraction thereof, on the silicon contained therein, Free, 2½ cts., 2¾ cts.

(e) Ferro-silicon, being an alloy of iron and silicon containing 90 per centum or more, by weight, of silicon—per pound, or fraction thereof, on the silicon contained therein, Free, 5 cts, 5½ cts.

(f) All alloys used in the manufacture of steel or iron, n.o.p., Free, 5 p.c., 5 p.c.

380, Plates of iron or steel, hot or cold rolled:—

(a) Not more than 66 inches in width, n.o.p., per ton, \$4.25, \$8.00, \$8.00.

(b) More than 66 inches in width, n.o.p., per ton, Free, \$6.00, \$6.00.

(c) Flanged, dished or curved, n.o.p., 10 p.c., 25 p.c., 30 p.c.

Provided, that as regards subsection (b) of this tariff item, the provisions of Section 6 of the Customs Tariff Act shall not apply to importations under the British Preferential Tariff.

392a, Forgings of iron or steel, in any degree of manufacture, hollow, machined or not, not less than 12 inches in internal diameter, Free, 30 p.c., 30 p.c.

409e, (ii) Fruit and vegetable grading, washing and wiping machines and combination bagging and weighing machines, and complete parts therefor, Free, 10 p.c., 10 p.c.

410d, Well-drilling machinery and apparatus, and complete parts thereof, of a class or kind not made in Canada, and seamless iron or steel tubing over eight inches in diameter, for use exclusively in drilling for water, natural gas and oil, and in prospecting for minerals, but not to include motive power; packer rubbers for oil and gas wells, Free, Free, Free.

410n (ii) Complete parts for repairs for the coal-cutting machines, n.o.p., enumerated in Tariff item 410n, when imported prior to January 1, 1935, and when for use exclusively in repairing coal-cutting machines imported into Canada prior to January 1, 1933, Free, Free, Free.

412, Machinery, being presses for use in the printing of newspapers, of not less value by retail than \$1,500 each, of a class or kind not made in Canada, and complete parts thereof, not to include saws, knives and motive power, Free, Free, Free.

441f, Metal parts, n.o.p., when imported by manufacturers of shotguns, to be used exclusively in the manufacture of shotguns, in their own factories, Free, 17½ p.c., 25 p.c.

445j, Electric dry shaving machines, of a class or kind not made in Canada, for use in removing human hair, and complete parts thereof, Free, 10 p.c., 10 p.c.

471a, Pressed steel belt pulleys for power transmission, and finished or unfinished parts thereof, including interchangeable bushings, Free, 25 p.c., 27½ p.c.

472, Plates, rolls and cylinders engraved on wood, or on steel or other metal, and transfers taken from same, n.o.p.; engravers' plates, rolls and cylinders of steel or other metal, polished or otherwise processed, for engraving thereon or for transferring thereto from engraved plates, 10 p.c., 15 p.c., 20 p.c.

TARIFF AND TAXATION

475, Stereotypes, electrotypes and celluloids of books, and bases and matrices and copper shells for the same, whether composed wholly or in part of metal or celluloid; positive and negative films of periodical publications regularly issued at stated intervals as frequently as, at least, four times a year, not including catalogues, Free, Free, Free.

494b, Corkwood or corkbark in strips, for use in the manufacture of roller covers for textile machinery, Free, Free, Free.

511, Fishing rods, walking sticks and walking canes, of all kinds; golf clubs and finished parts thereof; skis; racquets and racquet frames and baseball bats; balls of all kinds for use in sports, games or athletics, n.o.p., 20 p.c., 30 p.c., 35 p.c.

511a, Cricket bats, balls, gloves and leg guards, Free, 30 p.c., 35 p.c.

523h, Sailcloth wholly of Egyptian cotton, imported for use exclusively in the manufacture of sails for boats and ships, under regulations prescribed by the Minister and per pound, 3½ cts., 4 cts.

523i, Filter cloth wholly of cotton, with cut pile, in the web or made up, imported for use exclusively in mining and metallurgical operations, 10 p.c., 30 p.c., 35 p.c.—and per pound 3½ cts., 4 cts.

537, Rovings, yarns and warps wholly or in part of vegetable fibres, not more advanced than singles, n.o.p. not to contain silk, artificial silk nor wool, 27½ p.c., 30 p.c., 32½ p.c.

541d, Canvas in the web, wholly of flax or hemp or both, plain woven, not coloured, not further manufactured than impregnated with weather-proofing or preservative materials, suitable for manufacturing into tents, awnings, tarpaulins, hatch covers and similar articles, weighing not less than 18 ounces and not more than 26 ounces per sq. yard, 15 p.c., 30 p.c., 35 p.c.—and per pound, . . . 3½ cts., 4 cts.

551c, Yarns and warps composed wholly of hair or of hair and any vegetable fibre, imported by manufacturers for use in their own factories, Free, 17½ p.c., 20 p.c.—and per pound, 15 cts., 17½ cts.

556, Needled hair felt, imported by manufacturers of felt carpets and carpeting, for use exclusively in the manufacture of such felt carpets and carpeting, in their own factories, Free, 10 p.c., 10 p.c.—and per pound, 15 cts., 17½ cts.

58f, Rovings, yarns and warps wholly of spun artificial silk or similar synthetic fibres produced by chemical processes, not coloured, imported by manufacturers for use exclusively in the manufacture of cut-pile fabrics, in their own factories, Free, 30 p.c., 35 p.c.—but not less than per pound, 28 cts., 28 cts.

597b, Harps, Free, 27½ p.c., 30 p.c.

616c, Liquid rubber compound, non-alcoholic, when imported by manufacturers of sealing compounds for cans and jars, for use exclusively in the manufacture of such sealing compounds, in their own factories, Free, Free, Free.

634, (ii) Materials, when imported by manufacturers of artificial feathers, fruits, grains, leaves and flowers, for use exclusively in the manufacture of such articles, in their own factories, 20 p.c., 27½ p.c., 27½ p.c.

651, Buttons of all kinds, covered or not, and button blanks other than in the rough, n.o.p.; recognition buttons and cuff or collar buttons, 20 p.c., 35 p.c., 35 p.c.—and per gross, 5 cts., 5 cts., 5 cts.

COST AND MANAGEMENT

651a, Buttons, and button blanks other than in the rough, of vegetable ivory—and per gross, 5 cts., 10 cts., 10 cts.

663d, Soya beans, when imported by manufacturers of milk foods for human consumption, for use exclusively in the manufacture of such milk foods, in their own factories, until September 30, 1934, Free, Free, Free.

685, Pantagraphs and parts thereof including diamond points, and engraving mills, for engraving copper rollers used in printing textiles and wallpapers; blankets, blanketting and lapping imported for use exclusively by textile manufacturers and wallpaper printers, Free, Free, Free.

709, Articles and other goods, the growth, produce or manufacture of Canada, returned to the exporter thereof after having been exported without having been advanced in value or improved in condition by any process of manufacture or other means; also quick-silver flasks, and other metallic receptacles for holding liquids oyster pails, and impact registers or recorders for use in railway cars, after having been once exported from Canada, Free, Free, Free.

Provided that the said articles and goods are returned within five years from time of exportation, subject to regulations prescribed by the Minister;

Provided also that any article or goods described in this paragraph, upon which an allowance of drawback has been made, shall not be admitted to entry except upon payment of duties equal to the drawback allowed;

Provided further that any of such goods or articles manufactured in bond or under Excise regulations in Canada and exported shall not be admitted to entry except upon payment of the Customs or Excise duties to which they would have been liable had they not been exported from Canada.

811, Ceramic insulator cores, not further manufactured than burned and glazed, printed or decorated or not, without fittings, when imported by manufacturers of spark plugs for use exclusively in the manufacture of spark plugs, in their own factories, 5 p.c., 10 p.c., 15 p.c.

815, Potato starch or potato flour enumerated in Tariff Item 39 of the Customs Tariff, when imported for use as material in Canadian manufactures, the weight of the package to be included in the weight for duty, until July 31, 1934, per pound, $\frac{1}{2}$ ct., 1 ct., 1 ct.

4. Resolved, That Schedule B to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by striking thereout Tariff Items 1049, and 1055, the enumerations of goods and the rates of drawback of Customs Duties set opposite to each of the said items, and by inserting the following items, enumerations and rates of drawback of Customs Duties in said Schedule B:—

1049, Bituminous coal. When imported by manufacturers of coke and converted into coke in their own plants. Provided that drawback payable under this item is in lieu of drawback payable under any other item, 50 p.c.

1055.

(a) Materials and Parts, n.o.p. When used in the manufacture of goods enumerated in tariff items 438a and 438b, 60 p.c.

(b) Materials and Parts, as hereunder defined, including all materials or parts wrought into or attached thereto: engines, bodies in the white, chassis frames, hoods, plated radiator shells, splash shields, gasoline feed pipes, die castings, plated or not, and front

TARIFF AND TAXATION

and rear fenders, finished or not. When used in the manufacture of goods enumerated in tariff items 438a and 438b, 25 p.c.

(1) Provided, that no drawback shall hereafter be paid under this item unless at least fifty per centum of the cost of producing the finished article, not to include, after September 30, 1931, duties paid upon imported materials, has been incurred in Canada;

(2) Provided further, that no drawback shall be paid under this item on importations of any of the undermentioned articles:

Anti-squeak braids and strips; axles, front; axles, rear (not to include banjo housing); batteries; bearings, thrust, ball or plain; belts (fan); bodies painted or trimmed; bolts; brakes, service or emergency; brake lever; brake lining; brake pedals and operating levers; bumpers; bumperettes; cold rolled cowl, roof drip, side and top mouldings; cold rolled running board mouldings, glass channels, belt moulding and hinges; caps (wheel hub); carpets; castings (sand); chassis springs, between frame and axles; circuit breakers; clamps (hood); clevis pins; clocks, stem winding; clutch; clutch pedals; cotter pins; dash liner assemblies; distributors; drag links; drums (wheel); exhaust pipes; electric generators; electric wiring and cables; electric light bulbs; fans (motor); fasteners, carpet and curtain; felt arts; finished strips (window); floor boards (wood); foot rests; forgings, drop, rolled, or pressed; gas tanks; gear shift levers; gear shift lever knobs; glove compartments; hubs; ignition coils; jacks; lamps (head, side, tail and dome) but not including lenses; laminated glass; lubrication fittings; mirrors (rear view); moulded rubber parts; mufflers; nuts; paints, lacquers and thinners; propeller shafts; pyroxylin covered or double top fabric, and enamelled oilcloth; radiator cores; robe rails; rubber tubing; running boards; running board covers; rivets; screws; shock absorbers; solder; spark plugs; springs, coil and seat; stampings of metal (except radiator shell, cowl and body stampings); starter switches; starting motors; starting units; steering gears; studs; tacks; tires (rubber); tire carriers; tire covers; tool kit equipment; tops, and curtains for same; transmissions; Universal joints; upholstering fabrics and materials, other than printed fabrics; varnishes; visors; washers, plain; wheels, including hubs and drums; wheel carriers; wheel rims; windlances; window shades; windshield frames and metal parts; wood parts for bodies.

(3) Provided further, that on all materials and parts used in the manufacture in Canada of the parts enumerated in Proviso. (2) to this item there shall be payable, when such parts are used in the manufacture of the goods enumerated in tariff items 438a and 438b, a drawback of duty for domestic purposes of 25 p.c.

(4) Provided further, that any claims for drawback that have accrued or may accrue up to and including the 30th day of September, 1931, shall be paid in accordance with the provisions of the Tariff as existent on the 25th day of May, 1931.

(5) Provided further, that the Governor in Council may make such regulations, if any, as are deemed necessary for carrying out the provision of this tariff item.

1060, Plate glass enumerated in tariff item 322, on which duty was paid at the rates of duty set opposite said item. When used in the manufacture of safety or non-shatterable glass, 99 p.c.

5. Resolved, That Schedule C to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by adding thereto the following item:—

1217, Smoke screen apparatus, for use on motor vehicles or on water-borne craft of all kinds.

COST AND MANAGEMENT

6. Resolved, That any enactment founded upon the foregoing Resolutions to amend the Customs Tariff or Schedules thereto shall be deemed to have come into force on the nineteenth day of April, one thousand nine hundred and thirty-four, and to have applied to all goods mentioned in the foregoing Resolutions imported or taken out of warehouse for consumption on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

Resolved, That it is expedient to introduce a measure to amend the Excise Act, being chapter sixty of the Revised Statutes of Canada 1927, and amendments thereto, and to provide:—

1. That the excise duty on malt be increased as follows:—

- (a) On screened malt (malt from which the coomings have been removed), manufactured in Canada subject to excise regulations with respect to absorption of moisture in warehouse, from three cents per pound to seven and one-half cents per pound;
- (b) On malt imported into Canada and warehoused, from three cents per pound to seven and one-half cents per pound;
- (c) On malt imported into Canada, crushed or ground, from five cents per pound to nine and one-half cents per pound;

thereby consolidating as a single duty of excise the duties of excise now imposed upon malt used in the brewing of beer and the gallonage tax imposed under the Special War Revenue Act at the rate of twelve and one-half cents per gallon upon the beer itself, the said gallonage tax to be repealed by an amendment to the Special War Revenue Act.

All duty-paid malt on hand in any premises subject to excise on the day this Act comes into force to be subject to the difference between the rate already paid and that hereby imposed.

2. (a) That the existing duty imposed on beer or any fermented beverage made in imitation thereof, brewed in whole or in part from any other substance than malt, be increased from fifteen cents per gallon to twenty-five cents per gallon, thereby maintaining the differential rate of duty between beer brewed by the use of malt and beer brewed by the use of other substances and combining with the said excise duty the gallonage tax imposed upon such liquor under the Special War Revenue Act.

(b) That an Excise duty be imposed on all beer imported into Canada and taken out of bond for consumption at the rate of twelve and one-half cents per gallon, to replace the excise tax imposed at the same rate under the Special War Revenue Act.

(c) That an excise duty be levied upon all beer brewed from duty-paid malt in storage at the time of the coming into into force of this Act at the rate of ten cents per gallon.

3. That an excise duty be levied upon all unfermented wort (sweet wort) suitable for the brewing of beer in storage and unsold at the coming into force of this Act, at the rate of ten cents per gallon, thereby equalizing the duty to be levied upon such sweet wort with the duty to be levied upon the malt entering into the production of sweet wort produced after the coming into force of the increased duty on malt hereby proposed; the tax imposed upon such wort under the Special War Revenue Act to be repealed.

4. That excise duties be levied on all malt syrup suitable for the brewing of beer at the following rates:—

TARIFF AND TAXATION

- (a) When manufactured or produced in Canada prior to the coming into force of this Act, per pound twenty cents;
 - (b) When manufactured or produced in Canada after the coming into force of this Act, per pound seventeen cents;
 - (c) When imported into Canada or taken out of warehouse after the coming into force of this Act, per pound twenty cents;
- the above duties to replace the existing tax imposed by the Special War Revenue Act at the rate of twenty cents per pound, the reduction under (b) being to compensate for the increased duty on malt which enters into the production of such syrup.

5. That any enactment founded on this Resolution shall come into force on the first day of July, one thousand nine hundred and thirty-four.

Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act, chapter one hundred and seventy-nine of the Revised Statutes of 1927, and amendments thereto, and to provide as follows:—

1. That the excise tax imposed by section eighty and Schedule II of the said Act on the following items be repealed, namely:—

Ale, beer, porter and stout;

Unfermented wort (sweet wort) suitable for the brewing of beer (as imposed by section twenty-seven of chapter fifty of the Statutes of 1932-33);

Malt syrup, or malt syrup powder, extracts of malt, fluid or not, or any other malt product suitable for the brewing of beer (as imposed by said section twenty-seven).

(To be replaced by excise duties).

2. That said Schedule II, as enacted by section twenty-seven of chapter fifty of the Statutes of 1932-33, be further amended by striking thereout items (i) and (ii) and substituting the following:—

- (i) Materials enumerated in Customs Tariff Items 134, 135, 135 (a), 135 (b), 139 (except glucose and grape sugar) 140 (except molasses); invert sugar and syrup, 1c. per pound;
- (ii) Glucose and grape sugar (except when for use exclusively in the manufacture of leather and artificial silk) ½c. per pound.

3. That Schedule III to the said Act, being the list of articles exempted from the consumption or sales tax, as enacted by section twenty-eight of chapter fifty of the Statutes of 1932-33, be amended as follows:—

(a) by deleting the words “when produced by any one manufacturer or producer to the value of not more than three thousand dollars in any one calendar year” where they appear after the words “bakers’ cake and pies” at the end of the second paragraph of said Schedule and by substituting the words “not to include biscuits, cookies or other similar articles”;

(b) by adding to the said Schedule the following:—

Sap spouts and sap buckets, evaporators and complete parts therefor, when for use exclusively in the production of maple syrup;

Milk albumen, when for use exclusively in the production of animal or poultry feeds.

4. That Schedule V to the said Act, as enacted by section thirty of chapter fifty of the Statutes of 1932-33, containing list of exemptions from special excise tax imposed by section eighty-eight of the said Act, as enacted by section twelve of chapter fifty-four of

COST AND MANAGEMENT

the Statutes of 1932, be amended by adding thereto the following:—
“Articles enumerated in Customs Tariff Item 352 (a).”

5. That subsection one of section seventy of the said Act, as enacted by section ten of chapter fifty of the Statutes of 1932-33, be repealed and the following substituted therefor:—

70. (1) No postal note shall be issued under the provisions of The Post Office Act unless there is affixed thereto a postage stamp of the value of:—

(i) One cent if the amount of money for which the postal note is issued is not more than one dollar;

(ii) three cents if the amount of money for which the postal note is issued exceeds one dollar;

to be paid for by the purchaser of the note.

6. That subsection two of section seventy-seven A, as enacted by section twelve of chapter fifty of the Statutes of 1932-33, be repealed and the following substituted therefor:—

77A. (2) Except as hereinafter provided, every manufacturer and every importer of cigarette paper tubes shall affix to every package of cigarette paper tubes manufactured by him or imported by him into Canada, an excise stamp of the value of three cents for each one hundred cigarette paper tubes or fraction of one hundred cigarette paper tubes contained in such package.

7. That subsection one of section eighty-three of the said Act be amended by repealing paragraph (b) and substituting the following:—

(b) a tax of seventy-five cents per gallon on champagne and all other sparkling wines.

8. That section eighty-eight of the said Act, as enacted by section twelve of chapter fifty-four of the Statutes of 1932, be amended by adding thereto the following proviso:—

Provided, further, that the said tax be at the rate of one and one-half per cent on all goods imported into Canada entitled to the benefit of the British preferential tariff or any lower tariff.

9. That there shall be imposed, levied and collected a tax of ten per centum on the value of gold deposited for sale at the Royal Canadian Mint, such value to be an amount calculated under regulations to be made by the Governor in Council on the basis of the sale price of gold in the world market converted into Canadian currency at the prevailing rates of exchange, the amount of the tax to be deducted from the value so determined before final settlement is made by the Mint with the depositor.

10. That it shall be unlawful for any producer of gold from natural deposits in Canada to dispose of the same in quantities exceeding five ounces fine in any one week except by depositing it with the Royal Canadian Mint or the Dominion of Canada Assay Office, Vancouver, if such gold is in a form acceptable under the Regulations for the Receipt of Gold Bullion at the Royal Canadian Mint and that penalties be provided for violation of this provision.

11. That no charges, except the charges imposed by the Regulations for the Receipt of Gold Bullion at the Royal Canadian Mint, shall be made by the Mint in respect of any gold subject to the said tax.

12. That all gold exported in the form of ore, concentrates, or base bullion and all gold in manufacturers' sweeps so exported shall be subject to a like tax, under regulations to be made by the Governor in Council.

NOTICE OF ANNUAL MEETING

13. That the said tax shall not operate so as to reduce the amount payable to the depositor or exporter below thirty dollars per ounce fine in currency of Canada.

14. That any enactment founded on paragraphs one and two of this Resolution shall come into force on the first day of July, one thousand nine hundred and thirty-four.

15. That any enactment founded on paragraphs three, four and five of this Resolution shall be deemed to have come into force on the nineteenth day of April, one thousand nine hundred and thirty-four.

16. That any enactment founded on paragraphs six, seven and eight of this Resolution shall be deemed to have come into force on the nineteenth day of April, one thousand nine hundred and thirty-four, and to have applied to all goods mentioned therein imported or taken out of warehouse for consumption on and after that day, and to have applied to goods previously imported for consumption for which no entry for consumption was made before that day.

17. That any enactment founded on paragraphs nine to thirteen, inclusive, of this Resolution shall be deemed to have come into force on the nineteenth day of April, one thousand nine hundred and thirty-four.

NOTICE OF ANNUAL MEETING

The annual meeting of the Canadian Society of Cost Accountants and Industrial Engineers will be held on Monday, May 21, 1934, at 2 p.m. (daylight saving time) at the Lakeview Golf & Country Club, Port Credit, Ont. May 7, 1934.

W. A. McKague, General Secretary.

Owing to the extension of the Society's business year, it is no longer possible to have the annual meeting coincide with the date of one of our regular educational meetings. It has therefore been decided to hold it this year in conjunction with a golf game being put on by Toronto Chapter, and we hope to have a representation from Hamilton and Central Ontario Chapters, and possibly from Montreal also, for the occasion. The program is briefly as follows: There will be a directors' meeting at the Club for luncheon at 1 p.m., and any member and his guests who wish to come for luncheon will be welcome. The formal annual meeting will be held at 2 p.m., and will be followed by a brief meeting of the new board for election of officers and other necessary business. The game of golf can then be started at 2.30. The day will conclude with dinner at the golf club, at which everyone taking part is expected to be present. Times mentioned are daylight saving.

A separate notice of this event is being sent to each member of Toronto, Hamilton and Central Ontario Chapters.

COST AND MANAGEMENT

DIRECTORS' MEETING HELD IN MONTREAL

A meeting of directors of the Society was held in Montreal at the Windsor Hotel, on April 20th, the following being present: L. Belanger, G. T. Bowden, P. Dufresne, D. R. Patton, J. Paul Rolland, and R. R. Thompson, of Montreal, and G. H. Houston and W. A. McKague of Toronto.

The most important action was in respect to membership fees. An inquiry had been sent by the general secretary to each Chapter executive, suggesting certain possible changes, but resolutions were passed by the larger chapters opposing any reduction in the \$15 fee, and at the directors' meeting it was decided to leave this unchanged. It was however decided to make available to any one located at least 50 miles from a Chapter meeting place, a non-resident membership at \$10. Only a few present members are so located, and they of course can continue on the present basis, or transfer to non-resident memberships.

Correspondence regarding a possible chapter in Quebec city was also reported to the meeting. It was decided that, for the present, Montreal Chapter be asked to co-operate with those interested in Quebec, with a view to later development of a Chapter there.

THE TREND OF PRODUCTION COSTS

Commodity prices as measured by the Dominion Bureau of Statistics index number, which is based on the year 1926, declined fractionally from 72.1 in February to 72.0 in March. The following is a comparison by main groups:

	Mar. 1933	Feb. 1934	Mar. 1934
Foods, beverages and tobacco	59.8	72.1	72.5
Other consumers' goods	76.0	77.7	78.0
All consumers' goods	69.5	75.9	75.8
Producers' equipment	87.0	87.9	87.9
Building & construction materials	75.1	83.6	83.6
Manufacturers materials	53.3	61.6	61.6
All producers' materials	57.2	65.6	65.6
All producers' goods	60.2	67.8	67.8
All commodities	64.4	72.1	72.0

The principal advances in March were in the following: Milk and its products, cotton yarn and thread, flax, hemp & jute products, furniture, scrap iron, tin ingots, solder, crushed stone, and fertilizers. The principle declines in March were in: Tobacco, hides & skins, raw wool, brass, copper & products, and sand and gravel.

POSITION WANTED

A member of the Society, located in Montreal, with 25 years experience as comptroller and office manager of a large automobile concern with 30 branches, and a fully qualified accountant and executive, desires position. Well known to prominent members of this Society. Box B, Canadian Society of Cost Accountants & Industrial Engineers, 81 Victoria St., Toronto.

CHAPTER NOTES

CHAPTER NOTES

MONTREAL

Reported by W. A. McKague, general secretary

The concluding meeting of Montreal Chapter's season, on April 20th, was a most successful affair, fully maintaining the Chapter's past reputation. The writer has not at hand the statistics of attendance, but the large room at the Windsor Hotel was well filled, the meeting was excellently handled by Chairman Patton, and concluded in good time.

The speaker of the evening, Senator C. C. Ballantyne, was somewhat brief in his remarks on "Costing and Business" but it is not likely that any members or their guests came on this occasion for technical details, and what he said was well taken. The entertainment was in keeping with the usual style of the Chapter.

Mr. Patton was able to announce a slight gain in membership during the year—an excellent record considering the difficulties of the period. He introduced Paul E. Dufresne, the incoming chairman for 1934-35, who spoke briefly. G. H. Houston, president of our Society, gave a short talk, and representatives of several other organizations who were present as guests, also spoke. Col. Thompson made a presentation to H. Walton Blunt, C.A., a former secretary of the Chapter, in view of his approaching marriage.

TORONTO

Reported by Scott Fyfe, assistant secretary

Toronto Chapter wound up the 1933-34 season with what was undoubtedly one of the best meetings of the year. Over one hundred persons were in attendance and enjoyed to the full the address of Mr. W. H. Moore, M.P., and the excellent entertainment provided through the courtesy of the Toronto Board of Trade Club. The latter took the form of a pageant depicting Toronto of 100 years ago, and was most appropriate in view of the centennial celebrations this year.

Mr. W. H. Moore, a prominent member of the Federal House of Commons, and former head of the Tariff Board, briefly traced the evolution of the economic system, particularly with regard to government intervention in industry, and then switched to a consideration of the future trend of the rate of interest. It was a fine address delivered in most pleasing fashion.

Mr. S. H. Sorley, C.A., the newly elected chairman of the Chapter, spoke briefly and declared his intention of consulting the membership before drawing up next season's program, which may be along more technical lines.

CENTRAL ONTARIO

Reported by G. Earnshaw, chairman

Thanks to the courtesy of Major Lye, the Society met in the Armouries on Thursday, the 19th inst., to hear Mr. S. E. LeBrocq, comptroller of The Steel Company of Canada Ltd., speak on "Gen-

COST AND MANAGEMENT

eral Accounting" and particularly on the value of assets from a shareholder's point of view.

Thirty attended the dinner, and afterwards listened to a most interesting and instructive talk. Possibly the lecturer was too clear in his statements as there were no questions asked at the end of the talk.

Mr. Wilkinson, Manager of The Royal Bank of Canada, Guelph Branch, thanked the Chapter for the privilege extended to him and others to be present to hear the talk.

This was the most successful meeting the Chapter had this season, and we hopefully look for increased membership during the next season.

VANCOUVER

The annual meeting of Vancouver Chapter was held on April 24th in the offices of Associated Dairies Ltd. The financial statement for the year ended April 30, 1934, showed receipts of \$51.75 and expenses of \$38.12, balance brought forward from the previous year of \$63.21 increased to \$76.84 as at April 30, 1934.

Owing to the small number of members of the Chapter, no plans are being made at present for activities in the coming year. It is hoped, however, that some additions to the membership may be made by autumn, to permit of regular meetings again being held.

REFERENCE LITERATURE

RECEIVED IN APRIL

Canning Industry, The English Fruit and Vegetable. The Cost Accountant, March.

Budgeting, Incomplete. N.A.C.A. Bulletin, April 15.

Paper Company, Profit Control in a Wholesale. N.A.C.A. Bulletin, April 15.

Joint-Product Costs. N.A.C.A. Bulletin, April 1.

Canning Industry, Accounting for the. N.A.C.A. Bulletin, April 1.

Dry-Ice Industry, Accounting for the. Journal of Accountancy, April.

Punched Card Method in Accounting. Journal of Accountancy, April.

Governmental Accounting. Canadian Chartered Accountant, May.

